

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** May 9, 2011  
**POSITION:** Neutral

**BILL NUMBER:** AB 51  
**AUTHOR:** M. Yamada

### **BILL SUMMARY:** Payroll Cards

This bill would authorize an employer to utilize a payroll card to pay employee wages if the employee provides voluntary written authorization. The bill also specifies access requirements via automated teller machines (ATMs), restricts fees for usage, and requires an itemized statement be provided with the same payroll information provided with electronic transfer payments or a paycheck.

### **FISCAL SUMMARY**

At the time of the analysis, the Department of Industrial Relations had not provided a fiscal estimate of this bill. However, based on the bill's provisions, this bill would likely have a minor and absorbable cost as oversight and enforcement of employee wages is an ongoing workload.

### **COMMENTS**

The Department of Finance is neutral on this bill. This bill provides an alternative method for employers to pay employee wages.

Current law provides various requirements associated with wages for employees and also provides restrictions on using certain instruments for payment unless specified requirements are met.

This bill would authorize an employer to pay wages with a payroll card if the following conditions are met:

- The employee has provided voluntary written consent to receive wages by payroll card.
- A complete list of fees that may be deducted from the payroll card is provided to the employee.
- Participation in the payroll card program is not a condition of employment.
- Specified access is provided via ATMs.
- An itemized statement is provided with the same payroll information provided with electronic payments or a paycheck.

This bill would also place restrictions on fees charged an employee upon usage of the payroll card.

A payroll card is defined as an access mechanism (prepaid card, code, or other device, through which the employer provides the employee access to his or her wages.

---

Analyst/Principal (0200)	Date	Assistant Program Budget Manager	Date
-----------------------------	------	----------------------------------	------

---

Department Deputy Director	Date
----------------------------	------

---

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

---

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
---------------	-----------------------------

**BILL NUMBER**

AB 51

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
7350/DIR		SO	No	----- No/Minor Fiscal Impact -----						3152
<u>Fund Code</u>	<u>Title</u>									
3152	Labor Enforcement and Compliance Fund									